

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA

In Re:	)	
	)	Case No. 22-00744
Debtor: Property Holders, LTD	)	Chapter 11 Subchapter V
	)	
	)	
	)	
Debtor and Debtor-in-Possession.	)	SUBCHAPTER V TRUSTEE
	)	Monthly Report on Plan Progress for
	)	December 2023

I. Summary:

- a. 1713 7th Ave SE and 1841 Washington Ave SE are listed. No other houses are on the market at this time (1/7/24). The relator has had activity / showings, but the sales for all homes have slowed. December is also a slow month for home sales.
- b. Houses for sale have changed. Please see comments in MORs for details.
- c. Rental Business:
  - i. Rental income for December is approximately \$6,340. This is half of the income from last month. This is concerning. The rental income is not sufficient to cashflow the properties.
  - ii. I am still skeptical of the month-to-month rental model.
- d. Real estate taxes were due in September. The debtor stated they would be paid in late November. As of this report, I have not confirmed payment of the taxes due.

- e. Rental income continues to be less than projected and the properties needing rehabilitation to include in the rental pool are not moving forward. The slowdown in the sales market will continue to increase the time on the market for each listed property. This will also slow cash flow and debtors' ability to pay for expenses and improvements. The change to a month-to-month rental model is also a challenge to cash flow and possibly to the rental business viability. I have included my projected cash flow for the rental business after the house sales have been completed. It is only a projection; it shows a loss each month. This will be an unsustainable model as projected. Debtor will need to address the rental business plan in the coming months to move to a viable business model.

Date: 1/10/2024

/s/ Douglas D. Flugum

Douglas D. Flugum

Bugeye Ventures, Inc.

PO Box 308

Cedar Rapids, IA 52406

319-389-4581

dflugum@bugeyeventures.com

Sub Chapter V Trustee

						Average Monthly per Property	Notes
<b>Cash Flow for Property Holders</b>		<b>Data</b>	<b>Monthly</b>	<b>Yearly</b>			
<b>Income</b>							
	Number Of Properties / Units	16					See attached spreadsheet for property details.
	Gross Projected Rent Amount For All Properties	\$ 19,800	\$ 19,800	\$ 237,600	\$ 1,237.50		There are 19 properties being held but only 16 are to be rented.
	Vacancy Bad Debt %	25%	\$ 4,950	\$ 59,400			Currently running 24% (\$12,345 / \$16,200). Month to month rental will increase the costs and vacancy rate
	<b>Total projected proceeds</b>		<b>\$ 14,850</b>	<b>\$ 178,200</b>			
<b>Expenses</b>							
	Property Management Fees	\$ -	\$ -	\$ -	\$ -		
	Repairs and Maintenance	\$ 3,000	\$ 3,000	\$ 36,000	\$ 188		The repairs and rental turnover costs will increase with a month to month rental with no security deposits.
	Real Estate Taxes	\$ 3,200	\$ 3,200	\$ 38,400	\$ 200		
	Rental Property Insurance	\$ 2,700	\$ 2,700	\$ 32,400	\$ 169		
	Utilities	\$ 1,000	\$ 1,000	\$ 12,000	\$ 63		
	Pest Control	\$ 150	\$ 150	\$ 1,800	\$ 9		
	Accounting and Legal	\$ 350	\$ 350	\$ 4,200	\$ 22		
	Office / Admin / Other	\$ 500	\$ 500	\$ 6,000	\$ 31		This item is for things like gas and truck expense along with postage and other items.
	<b>Total projected Expenses</b>		<b>\$ 10,900</b>	<b>\$ 130,800</b>			
<b>Loan Servicing Expense</b>							
	Financed Amount	\$ 1,000,000					This is an estimated amount. Costs will continue to accrue as the property liquidation continues to be pushed out.
	Loan Amortization In Years	15					
	Loan Interest Rate	8%					I would estimate that the interest rate could rise.
	<b>Monthly Payment Amount</b>		<b>\$ 9,557</b>	<b>\$ 114,678</b>			
<b>Cash Flow</b>							
	<b>Cash Flow Before Taxes</b>		<b>\$ (5,607)</b>	<b>\$ (67,278)</b>			

## Held Property List

Bank	Loan Acct No.	Location	Claim Balance Due (estimate no costs added)	Appraisal Values	Property Status	Rent Amount
Dupaco	8214	2040 Spoon Creek Ct SE	\$ 16,495	\$ 675,000	To be Held	\$ -
Dupaco	4683	351 20th ST SE	\$ 65,329	\$ 155,000	Rented	\$ 1,100
Dupaco	4691	1025 20th ST SE	\$ 120,379	\$ 125,000	Rented	\$ 1,000
Dupaco	4691	2532 1st Ave NE	\$ -	\$ 160,000	To Be Rented	\$ 1,200
Dupaco	4725	3824 Indiandale Cir SE	\$ 125,923	\$ 365,000	Rented	\$ 2,100
Dupaco	4741	2045 Park Ave SE	\$ 60,676	\$ 145,000	Rented	\$ 1,100
Dupaco	4766	2842 14th Ave SE	\$ 65,031	\$ 140,000	Rented	\$ 1,000
Dupaco	4782	1734 5th Ave SE	\$ 57,873	\$ 145,000	Rented	\$ 1,400
Dupaco	4832	2916 Iowa Ave SE	\$ 62,557	\$ 140,000	Rented	\$ 1,200
Dupaco	4899	2164 Blake Blvd SE	\$ 108,918	\$ 235,000	Rented	\$ 1,300
Dupaco	4923	412 26th St SE	\$ 72,521	\$ 145,000	Rented	\$ 1,200
Dupaco	4949	2021 Grande Ave SE	\$ 52,685	\$ 170,000	Rented	\$ 1,200
Dupaco	4949	2103 Bever Ave SE	\$ -	\$ 182,000	To be Rented	\$ 1,300
GSCU	50003	528 15th St SE	\$ -	\$ 53,000	To Be Held	\$ -
GSCU	50003	1714 6th Ave	\$ -	\$ 100,000	Rented	\$ 1,250
GSCU	50004	1719 Bever Ave SE	\$ -	\$ 78,000	To Be Held	\$ -
GSCU	50005	1933 Higley AV SE	\$ -	\$ 40,000	To Be Rented	\$ 1,100
GSCU	50007	838 15th St SE	\$ -	\$ 100,000	Rented	\$ 1,150
GSCU	50007	1818 7th Ave SE	\$ -	\$ 90,000	Rented	\$ 1,200
<b>TOTALS</b>			<b>\$ 808,388</b>	<b>\$ 3,243,000</b>		<b>\$ 19,800</b>